

## SETTLEMENT AGREEMENT AND RELEASE

### I. PARTIES

This Settlement Agreement ("Agreement") is entered into by the State of Michigan ("the State") and Aventis Pharmaceuticals Inc. ("API"), hereinafter collectively referred to as "the Parties."

### II. PREAMBLE

As a preamble to this Agreement, the Parties agree as follows:

A. Beginning in September 1997, Hoechst Marion Roussel Inc. ("HMR"), a Delaware corporation, marketed and sold the prescription drug product dolasetron mesylate, an anti-emetic, marketed under the brand name Anzemet®. HMR sold Anzemet to various customers including, among others, group purchasing organizations, wholesalers, oncology clinics, physicians, and hospitals. In a series of transactions beginning in December 1999, HMR ultimately became API. API is a Delaware corporation with its principal place of business in Bridgewater, New Jersey. Following the transactions noted above, API continued to market and sell Anzemet to similar types of customers.

B. The State contends that API submitted or caused to be submitted claims for payment to the Medicaid Program, 42 U.S.C. §§ 1396-1396v.

C. The State contends that it has certain civil claims against API for engaging in the following conduct:

(i) During the period from September 1, 1997 through June 30, 2004, API knowingly set, reported, and maintained or caused to be set, reported, and maintained false, fraudulent, and inflated Average Wholesale Prices, Suggested List Prices, Net Wholesale Prices, and/or Wholesale Purchase Prices (the "Reported Prices") for certain National Drug Codes for Anzemet listed in Attachment 1 (the "Covered Drugs") that were substantially higher than the

prices that the vast majority of its customers actually paid for the Covered Drugs and knowingly used the artificial spread between the false, fraudulent, and inflated Reported Prices and the actual acquisition cost of the Covered Drugs in marketing, promoting, and selling the Covered Drugs to existing and potential customers. API knew that the false and fraudulent reporting and marketing schemes would cause its customers to submit false and fraudulent claims for reimbursement to Medicaid that were substantially higher than the customers' actual acquisition cost for the Covered Drugs. Collectively, the conduct listed in this paragraph will be referred to as the "Covered Conduct."

D The State contends that the Medicaid program was damaged as a result of the Covered Conduct.

E API has previously entered into a Settlement Agreement with the United States of America regarding the Covered Conduct (the "Federal Settlement Agreement").

F API denies the allegations of the State as set forth in preamble paragraphs B, C, and D of this Agreement and denies that it has any liability relating to these contentions and allegations.

G To avoid the delay, expense, inconvenience, and uncertainty of protracted litigation of these claims, the Parties mutually desire to reach a full and final settlement as set forth below.

### III. TERMS AND CONDITIONS

NOW, THEREFORE, in reliance on the representations contained herein and in consideration of the mutual promises, covenants, and obligations in this Agreement, and for good and valuable consideration, receipt of which is hereby acknowledged, the Parties agree as follows:

1. API agrees to pay to the United States and the States the sum of \$182,820,000, plus interest accruing at a simple rate of 4.75% per annum from October 13, 2006, through and

including the effective date of the Federal Settlement Agreement (collectively the "Settlement Amount"): API agrees to pay the Settlement Amount as follows:

A. No later than three business days from the effective date of the Federal Settlement Agreement, API agrees to pay \$172,600,000 plus interest accruing at a simple rate of 4.75% per annum from October 13, 2006, through and including the effective date of the Federal Settlement Agreement, to the United States by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice.

B. No later than three business days from the effective date of the Federal Settlement Agreement, API agrees to pay \$10,220,000 plus interest accruing at a simple rate of 4.75% per annum from October 13, 2006, through and including the effective date of the Federal Settlement Agreement ("the State Settlement Amount"), into an account with a national banking institution to earn interest as agreed upon between API and the National Association of Medicaid Fraud Control Units Settlement Team (the "NAMFCU Team").

C. At the conclusion of the state settlement process, when all those states that elect to receive settlement funds pursuant to the Agreement (the "Participating States") have executed agreements, as described in this Paragraph I, API shall transfer the State Settlement Amount plus the additional aforementioned interest, as set out in paragraph 1(B) above, to a distribution account designated by the NAMFCU Team, for distribution to the individual Participating States.

D. The total portion of the Settlement Amount paid by API in settlement for alleged injury to the Medicaid Program for the State is \$791,027.09, consisting of a portion paid to the State under this Agreement and another portion paid to the federal government as part of the Federal Settlement Amount. The individual portion of the State Settlement Amount allocable to the State is \$357,925.11 (the "Individual State Settlement Amount").

E. The State shall be entitled to disbursement of its Individual State Settlement Amount from the NAMFCU distribution account only after the NAMFCU Team has received fully executed Agreements from the Participating States and from API, or as otherwise agreed by the NAMFCU Team and API. Funds not disbursed to any state (those allocable to non-participating state(s)), plus interest as set out in paragraph 1(B) above, shall be promptly returned to API at the conclusion of the state settlement process.

2. As successors to the operations of API, sanofi-aventis US Inc. and sanofi-aventis US LLC have entered into a Corporate Integrity Agreement with HHS/OIG in connection with this matter (the "CIA") and will provide certified Pricing Information to the State and/or the appropriate national commercial drug price reporting service (as directed by the Addendum to this agreement) pursuant to the terms of said CIA. This Agreement is a Related State Settlement Agreement as that term is used in Section III.I of the CIA. In accordance with Sections III.I.1 and III.I.2 of the CIA, API contends that the Pricing Information reported to the Michigan State Medicaid Program pursuant to that CIA is confidential commercial or financial information and proprietary trade secrets and the State agrees to afford it the maximum degree of confidentiality permitted by state law. All information provided to the Michigan State Medicaid program pursuant to this Agreement shall be made available to the State's Medicaid Fraud Control Unit upon request. No claim or cause of action may be brought by the State against API, its successors or affiliates contending that the Pricing Information as described in this paragraph was improperly calculated or reported unless: such Information is inconsistent with Pricing Information for the same products reported by API, its successors or affiliates to other state or federal government entities; or the Centers for Medicare and Medicaid Services (CMS) concur that such Information was improperly calculated or reported under federal laws and regulations.

3. In consideration of this Agreement and payment set forth herein and subject to the exceptions from the release set forth in Paragraph 4 below, the State on behalf of itself, its

officers, agents, agencies and departments shall release and forever discharge API, its present and former affiliates, parents, and divisions, and each of its predecessors and successors and each of their present and former officers, directors, and employees from any civil or administrative monetary claim the State has or may have for any claim submitted or caused to be submitted to the State Medicaid Program for the Covered Conduct. The payment of the Settlement Amount fully discharges API from any obligation to pay Medicaid-related restitution, damages, and/or any fine or penalty to the State for the Covered Conduct.

4. Notwithstanding any term of this Agreement, the State specifically does not herein release API, its present and former affiliates, parents, subsidiaries, and divisions, and each of its and their predecessors and successors, and each of their present and former directors, officers, and employees from any and all of the following: (a) any potential criminal, civil or administrative claims arising under the State's revenue codes; (b) any criminal liability; (c) any civil or administrative liability that API has or may have under any state statute, regulation, or rule not covered by the release; (d) except as explicitly stated in this Agreement, any administrative liability, including mandatory exclusion from the State's Medicaid program; (e) any liability to the State (or its agencies) for any conduct other than the Covered Conduct except as specifically noted herein; or (f) any claims based upon such obligations as are created by this Agreement

5. In consideration of the obligations of API set forth in this Agreement, conditioned upon API's payment in full of the State Settlement Amount into the State Settlement Account, as provided in paragraph 1(B) above, and except as reserved in Paragraph 4 above, the State agrees to release and refrain from instituting, directing or maintaining any administrative claim or any action seeking exclusion from the State's Medicaid program against API, its present and former affiliates, parents, divisions, and each of its and their predecessors, successors, and each of their present and former directors, officers, and employees from any civil and administrative claims

for damages or penalties that the State has or may have relating to the Covered Conduct. Nothing in this Agreement precludes the State from taking action against API in the event that API is excluded by the Federal government, or for conduct and practices other than the Covered Conduct. The Medicaid Fraud Control Unit for the State further agrees to refrain from recommending, causing or attempting to cause any administrative action or sanction, including debarment, by any other government agency of the State for the Covered Conduct. The State does not have the authority to release API from any claims or actions which may be asserted by private payers or insurers, including those that are paid by a state's Medicaid program on a capitated basis.

6. API fully and finally releases the State, its agencies, employees, servants, and agents from any claims (including attorneys fees, costs, and expenses of every kind and however denominated) which API has asserted, could have asserted, or may assert in the future against the State, its agencies, employees, servants, and agents, related to or arising from the investigation of the Covered Conduct up to the effective date of this Agreement.

7. API agrees to cooperate fully and truthfully with the State's investigation of individuals and entities not specifically released in this Agreement. More specifically, upon reasonable notice, API will make reasonable efforts to facilitate access to, and encourage the cooperation of, its directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals or of API, and will make reasonable efforts to furnish to the State, upon reasonable request, all non-privileged documents and records in its possession, custody or control relating to the Covered Conduct or conduct by any other person or entity similar to the Covered Conduct.

8. API waives and will not assert any defenses it may have to any criminal prosecution or administrative action relating to the Covered Conduct which defenses may be based in whole or in part on a contention that, under the Double Jeopardy Clause of the Fifth

Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

9. The Settlement Amount that API shall pay will not be decreased as a result of the denial of claims for payment now being withheld from payment by the State's Medicaid program or other state payer related to the Covered Conduct. If applicable, API agrees not to resubmit to the program any previously denied claims where such denial resulted from the Covered Conduct and agrees not to appeal any such denials of claims.

10. This Agreement is intended to be for the benefit of the Parties only, and by this instrument the Parties do not release any claims against any other person or entity.

11. Nothing in any provision of this Agreement constitutes an agreement by the State concerning the characterization of the Settlement Amount for purposes of the state internal revenue laws.

12. This Agreement does not constitute an admission by any person or entity, and shall not be construed as an admission by any person or entity, with respect to any issues of law or fact.

13. API warrants that it has reviewed its financial situation and that it currently is solvent within the meaning of 11 U.S.C. 547(b)(3) and 548 (a)(1)(B)(ii)(I), and shall remain solvent following payment to the United States and the Participating States of the Settlement Amount. Further, the Parties warrant that, in evaluating whether to execute this Agreement, they: (a) have intended that the mutual promises, covenants, and obligations set forth constitute a contemporaneous exchange for new value given to API within the meaning of 11 U.S.C. 547(c)(1); and (b) conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange. Further, the Parties warrant that the mutual promises, covenants, and obligations set forth herein are intended to and do, in fact, represent a

reasonably equivalent exchange of value that is not intended to hinder, delay, or defraud any entity that API was or became indebted to on or after the date of transfer, within the meaning of 11 U.S.C. 548(a)(1).

14. In addition to all other payment and responsibilities under this Agreement, API agrees to pay all reasonable travel costs and expenses of the NAMFCU Team. API will pay this amount by separate check or wire transfer made payable to the National Association of Medicaid Fraud Control Units after the Participating States execute this Agreement.

15. API represents that this Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever.

16. The undersigned API signatory represents and warrants that he is duly authorized as a result of appropriate corporate action to execute this Agreement. The undersigned State signatories represent that they are signing this Agreement in their official capacities and they are authorized to execute this Agreement on behalf of the State through their respective agencies and departments.

17. This Agreement is governed by the laws of the State of Michigan.

18. This Agreement is effective on the date of signature of the last signatory to the Agreement.

19. This Agreement shall be binding on all successors, transferees, heirs and assigns of the Parties.

20. This Agreement constitutes the complete agreement between the Parties with regard to the Covered Conduct. This Agreement may not be amended except by written consent of the Parties.

21. Each party agrees to perform any further acts and to execute and deliver any further documents reasonably necessary to carry out this Agreement. This Agreement may be



executed in counterparts, each of which shall constitute an original and all of which shall constitute one and the same Agreement

FOR THE STATE OF MICHIGAN:

By:



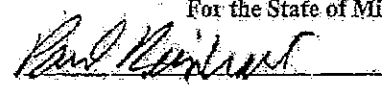
Dated: 10/16/2007

Title:

Assistant Attorney General

For the State of Michigan Medicaid Program:

By:



Dated:

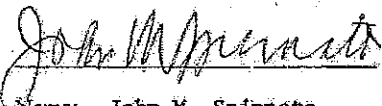
9-27-07

Title:

Medicaid Director

FOR AVENTIS PHARMACEUTICALS INC. ("API")

By:



Dated:

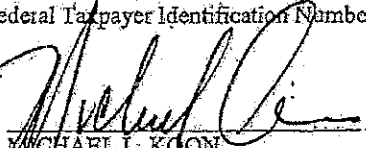
1/30/08

Name: John M. Spinnato

Position: Vice President and General Counsel, US Legal  
Aventis Pharmaceuticals Inc.

API Federal Taxpayer Identification Number: 13-2563649

By:



Dated:

1/30/08

MICHAEL L. KOON

Shook, Hardy & Bacon L.L.P.

2555 Grand Boulevard

Kansas City, MO 64108-2613

Counsel to Aventis Pharmaceuticals Inc.

### ADDENDUM

#### Designation of Reporting Service

1) The State of Michigan requests that the Pricing Information referred to in Section III 2 of this State Agreement and the CIA be sent to First Data Bank (a national commercial drug price reporting service)

If during the time period covered by the CIA (5 years from the effective date thereof) the State changes or supplements its commercial drug price reporting service, the State may notify Sanofi-aventis at the address below in writing of said change and the effective date thereof. Sanofi-aventis shall then promptly commence reporting the Pricing Information to the subsequent commercial drug price reporting service in accordance with Sections III 1.1 and III 1.2 of the CIA.

Sanofi-aventis contact information for the above::

#### Designation of State Medicaid Contact

2) The State of Michigan requests that the Pricing Information referred to in Section III 2 of this State Agreement and the CIA be sent to the Michigan State Medicaid program c/o:

Ruth Shockey, Manager Region Investigation Section  
Name  
4005 Pine St P.O. Box 30479 Lansing, MI  
Address  
(517) 335-5223 - WK phone no. 48909-7979  
Phone/fax/email  
(517) 241-9081 - fax  
Shockey@miMichigan.gov

ATTACHMENT 1

Anzenet Injection (dolasetron mesylate) 20 mg/ml

Strength	Description	NDC
100 mg/ml	5 mL single-use vial	00088-1206-32
500 mg/25ml	25 mL multidose vial	00088-1209-26